

## Does Density Matter? The Significance of Comparative Historical Variation in Unionization

Vernon, Guy

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**Guy Vernon**

Henley Management College, UK

## **Does Density Matter? The Significance of Comparative Historical Variation in Unionization**

**ABSTRACT** ■ This article reviews the variations in aggregate union density in fifteen industrialized societies over the period 1960–2000. Drawing critically on a range of literatures, it argues that density is a valuable if imperfect expression of the weight of the infrastructure of joint regulation. Whilst density levels cannot express the character or anatomy of this regulation, they broadly depict the constraints imposed on managerial prerogative by routinized joint regulation.

**KEYWORDS:** joint regulation ■ managerial prerogative ■ social rights ■ union density

### **Introduction**

Union membership density has been one of the most studied single aspects of organized industrial relations. Cross-national variation, and changes over time, in density data have featured prominently in textbooks on comparative employment relations, while there have been numerous attempts to account statistically and econometrically for trends and variations (for example Western, 1997). These examinations have been facilitated by the efforts of Bain and Price (1980), Visser (1989, 1991) and Ebbinghaus and Visser (2000) to collate comparable statistics on aggregate union density through the 20th century for the main industrialized nations.

Yet despite the attention to density, comments on its meaning are scant, dispersed and contradictory. It commonly seems to be taken for granted that density captures something of the overarching concerns of the comparative industrial relations literature; perhaps the ‘strength’ or ‘efficacy’ of ‘institutions’ referred to by Ferner and Hyman (1998: xi, xxiii). But this must be demonstrated, and the present article considers the significance of aggregate union density in representing or expressing the social regulation of work: the core concern of the industrial relations

literature. It does not seek to develop the causal explanations of the trends in density offered in the recent econometric literature, but rather it establishes the significance of density through detailed consideration of its empirical concomitants. These concomitants cannot be discerned from this econometric literature for three reasons. First, much of this literature has focussed on explaining changes in density, rather than its comparative levels. Second, the purpose of this literature has dictated that only relationships between density and features of the institutional environment which might plausibly be argued to influence it have been explored. Third, because this literature has attempted an integrated explanation of developments in density, the work has been multivariate. This necessarily obscures the simple bilateral, or bivariate, associations of density.

Just as in the extensive comparative contributions of Western (1997) and Traxler et al. (2001), reference here is principally to literature in English, but the discussion ranges widely. It cannot consider anything but 'dominant tendencies' (Hyman, 2001: x) within nations, so that sectoral differences within national borders are neglected. The following section briefly examines the treatment of the significance of aggregate union density in the literature. The succeeding section considers matters of definition, and presents comparable density figures for 15 advanced industrialized nations over the period 1960–2000. The extended section which follows considers, with reference to the experiences of these nations, the comparative historical relationship between aggregate union density and the social regulation of work. The final section clarifies the implications of the assessment, concluding that union density generally expresses of the weight of routinized joint regulation, though not of individual social rights.

## What Does Density Mean?

It is common to assume that density is a significant indicator, but less common to consider why. Visser claims that membership is a 'critical resource' of unions, and, whilst acknowledging the need for 'organizational, institutional and political detail' (1992: 22, 24), that comparative union density is a 'shorthand though incomplete picture of the overall strength of unions'. Crouch (1993) uses 'union density' interchangeably with 'union strength' in his charts. Traxler et al. (2001: 79) assert that density is the 'primary power resource' of unions, whilst Blaschke (2000: 217) describes it as the 'most readily available indicator' of 'union strength'. Western (1997: 3, 15) regards density as expressive of unions' influence, not only within industry but within society, and indeed refers to union organization and the labour movement synonymously. Such treatments of density echo the work of Stephens (1979) and Korpi (1983),

who regarded the resource afforded by density as transferable, such that it might be deployed not only in the industrial but also in the political sphere.

Most efforts to *argue* the significance of aggregate density have centred on the importance of mass membership for unionism. For example, Visser (1992) suggests that the sheer weight of unionized numbers, of itself, is of much significance for the position of unions towards not only employers but the state, and hence, by implication, for the significance of unions in the social regulation of work. Other authors have however argued that density alone does not equate to union strength. France has loomed large in this argument: French unionism is perceived as a unionism of activists, so that the equivalent of a union member in Britain, for example, is an employee voting for a union candidate in elections to the *comité d'entreprise* (Goetschy, 1998). A similar argument might be made with reference to the Italian union movement, which shares something of the French ideological heritage (Accornero, 1992). Such reflections challenge the significance of membership.

Literature on the bases of density might also be taken to question its significance. There has been growing attention to the relationship between density and the nature of the administration of the welfare state: where unions have an established role in the administration of unemployment benefit, under the 'Ghent' systems of Belgium, Denmark, Finland and Sweden, employees have a distinctive incentive to join unions (Blaschke, 2000; Ebbinghaus and Visser, 1999; Traxler et al., 2001; Western, 1997). Hence Van Ours (2002) claims that membership (and thus density) is an artefact of the organization of the welfare state.

Though membership may vary cross-nationally in meaning, this does not preclude a role for density as an indicator of social regulation. Another strand of 'contingency' appears pertinent here — the commonplace observation that density may be of varying significance for joint regulation dependent upon the larger industrial relations infrastructure. Yet density could conceivably express this very infrastructure itself. Ultimately, to assess the significance of density as an indicator requires a general empirical examination of the institutional concomitants of density.

## The Uncertainties of Density Data

Density data rest on treacherous foundations. By construction they gloss over debates centred around the issue of union identity (Hyman, 2001), and of the relative regulatory purchase of class based unionism, integrative reformism, and sectionalist trade, enterprise or plant unionism. Moreover, they require judgements about the relevance of membership (or non-membership) amongst groups extending beyond

the employed workforce: the non-agricultural employed, the total employed, the dependent workforce, the labour force, or the total population. Traxler et al. (2001: 80), despite their focus on 'the labour market', regard employed density as the most appropriate measure. Ebbinghaus and Visser (1999) examine trends in 'net density': equivalent to employed density in excluding not only retired but unemployed members. Unusually, Western (1997: 15) includes not only the unemployed but retired membership in his preferred ('gross') density series. In the case of Belgium in 1985, this gives rates 27 percentage points higher than estimates of employed density.

Visser (1989) suggests that the inclusion of the retired in calculations of union density is a distorting influence, implying that employed density is of more analytical relevance for the situation of the workforce vis-à-vis their employers. It is thus employed or 'active' density which is the focus here. Figure 1 shows trends in employed density for 15 advanced industrialized nations over four decades.<sup>1</sup> There is continuity in the relative position of most nations, but the differences are striking and increase over the period. Density in France and the USA falls from being low to very low; Switzerland, Japan and the Netherlands move from moderate to low density; in Germany and Canada the levels remain moderate, though that in Germany falls in recent years. Density in Italy and the UK shifts quite markedly, rising until the late 1970s and falling thereafter, but for the most part remains within the moderate range. Density in Austria falls from high to moderate; in Norway and Belgium it remains high; whilst in Denmark and Sweden it moves from high to very high. The most striking change is in Finland, where density grows from low to very high levels. What, if anything, though, do these patterns express of the matters at the core of the industrial relations literature?

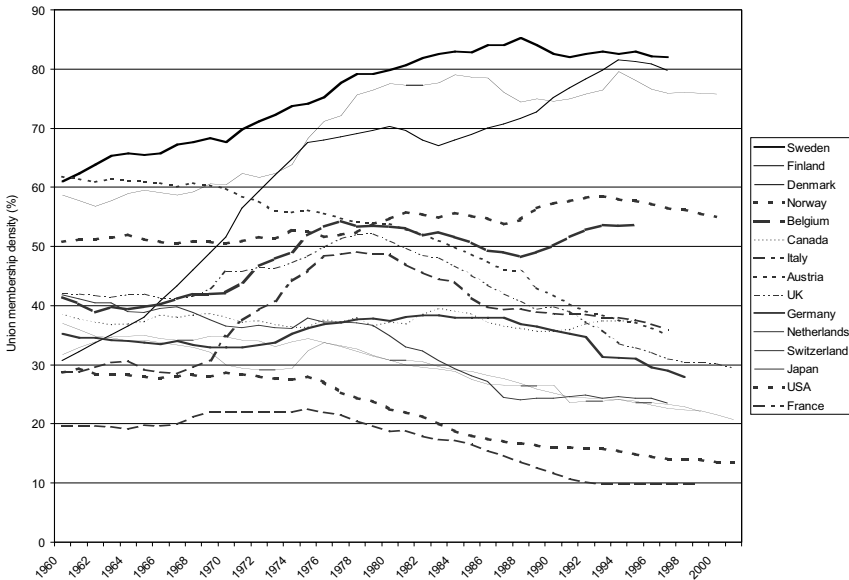
## The General Significance of Union Density

### Strike Activity

Goetschy and Rozenblatt (1992: 440) note the influence within French unions of the notion that 'strikes are the motor of social progress'. The attention devoted to strikes in comparative industrial relations suggests that strike activity is generally regarded as important in the social regulation of work.

A (positive) relationship between strike activity and union membership is frequently noted, though its nature is more rarely probed. There are indeed for many nations historical relationships between union density and gauges of strike activity, most typically relative involvement (Franzosi, 1995; Kelly, 1989, 1998; Shalev, 1992; Shorter and Tilly, 1974;

**FIGURE 1. Employed Union Membership Density (%) in Fifteen Nations, 1960–2000**



Western, 1997). Even within the Nordic cluster, where fluctuations in density have been limited, there has been a tendency for fiercer explosions of strike activity to be associated, as elsewhere, with a more rapid growth in union density (Stokke, 1999).

For present purposes, though, cross-national comparative associations are vital. The relationship between strike volume (working days lost) and density is of particular interest because of the greater cross-national comparability of statistics (Shalev, 1992). Western (1997: 116–21: Table 7.4) shows that relative volume is related strongly even to the *growth* in union density only in nations with decentralized bargaining structures and/or low density. Such findings merely underline what is implicit in the remarkable absence of published results on the relationship between the *level* of union density and strike volume. It appears that enduring features of the national industrial relations context are important in shaping the comparative extent of strike activity (Clegg, 1976), and that these have no simple relation to union density.

### Local Organization

The most immediate manner in which density might be considered an index of social regulation is by gauging the average weight of union membership at workplace level. However, for many industrial relations

scholars the statutory provision for representative participation at workplace and company level is at least as significant for the social regulation of work. This may indeed be causally related to union density. For some writers (Cameron, 1984; Korpi, 1983), unions with high density are best able to achieve strong statutory provision for industrial democracy. Conversely, several authors (for example Ebbinghaus and Visser, 1999; Terry, 1994) have attributed the divergent trends in density since the early 1980s largely to cross-national variation in the depth of statutory buttressing of representative participation in the workplace.

Clearly there are limits to this relationship; France, with its very low and falling density, has statutory provision for representative participation. Yet the exception may prove the rule: despite growing statutory prescription, initially reflected in an upsurge in establishment collective agreements, by the mid-1990s only a fifth of French employees were covered by establishment bargaining of any sort (Goetschy, 1998). Hancké (1993), considering the experiences of seven European nations including France, suggests that whilst meaningful workplace organization is often rooted in statutory provision for representative participation, such provision is neither necessary nor sufficient; it is however strongly related to high, and still more so to relatively stable, union density. Similarly, Visser (1992) argues that the growing differential in density between Belgium and the Netherlands is associated with a much more substantial Belgian workplace organization, despite the stronger Dutch works council legislation.

This echoes Clegg's observation (1976) that cross-national variation in union density is related to the 'depth of bargaining': the extent of local union involvement in the administration of agreements. Recent experience further supports this view. In the UK, union density rose rapidly in the 1970s and then fell equally sharply, in parallel with the growth and decline of powerful workplace organization (Batstone, 1988; Millward et al., 2001). Contrasting developments in local organization in the USA and Canada in the 1980s (Visser, 1992) are also reflected in quite different density trajectories.

### **The National Infrastructure**

There has been much attention to the level at which bargaining occurs, usually on the assumption that centralized bargaining is more coherent, or more meaningfully collective. A major concern in the industrial relations literature has therefore been the implication of different forms of decentralization of collective bargaining. There is much evidence of a cross-national relation between union density and the established indices of centralization (for example ILO, 1993: Chart 3), though it does seem that the relationship is weakening (Traxler et al., 2001: Table III.1, III.5).

The detailed discussions of developments in bargaining centralization offered by, for example, Ferner and Hyman (1992, 1998), Regini (1992) and Traxler et al. (2001), are also enlightening. Of those nations which can be located more or less unambiguously, those where peak-level bargaining predominated over the past few decades (Norway and Finland and, until at least the early 1980s, Denmark and Sweden) tended to have higher rates of union density than those with bargaining primarily at industry level (Austria, the Netherlands, Germany, Italy), which in turn tended to have density higher than those where bargaining was typically confined to the company or establishment (the USA, Canada and Japan). Whilst France, with very low density despite sectoral bargaining, is something of an exception, Traxler et al. (2001: Table III.1) rate its centralization as little greater than in the Anglo-Saxon nations.

Moreover, the experience of Finland since the late 1960s shows a strong longitudinal relationship between greater centralization of wage bargaining and rapid growth in union density (Lilja, 1992). Then, the virtual disappearance of industrial bargaining in the UK from the early 1980s was accompanied by a collapse in union density. There are clearly limits to such longitudinal relationships, as the more gradual, but sustained, decline in density in Austria has not been associated with an obvious change in the level of bargaining, whilst the demise of peak negotiations in Sweden has not seen a substantial fall in density. Yet whilst there is certainly no absolute correspondence between bargaining centralization and density, there is much evidence of a general relation.

The contribution of Soskice (1990) has encouraged attention to the coordination of bargaining. This has brought a myriad of competing approaches to the analysis of coordination, and characterizations of specific nations. However, the basis for the classification of particular nations (for example Ferner and Hyman, 1998; Traxler, 1995) is not entirely clear. Country studies featuring lengthy considerations of coordination have not served to clarify the situation — witness the very different accounts of the Swedish experience of the 1990s in Kjellberg (1998) and Elvander (2002). Hence it is not possible to arrive here at a considered scoring of coordination with which density may be compared.

Whilst assessments of bargaining centralization gauge the bargaining level which predominates amongst those employees whose terms and conditions are subject to collective bargaining, estimates of coverage gauge the proportion of the total workforce whose terms and conditions are subject to collective agreement. For Traxler et al. (2001: 194), ‘the most important indicator of the degree of organization/disorganization of labour markets is the coverage of collective agreements.’ The cross-national correlation between union density and coverage is not strong: for the countries examined in this article, the correlation in the mid-1990s is only on the cusp of conventional statistical significance.<sup>2</sup>



Where multi-employer agreements are generally absent and single-employer bargaining predominates (Japan, Canada, the USA, and now the UK), coverage is limited and density is correspondingly low or low-moderate. Many of the nations with high or very high coverage (Sweden, Finland, Denmark and Norway) also display high density. Yet other nations with high or even very high coverage, similarly secured by a predominance of multi-employer bargaining, have moderate, low or even very low density: notably the Netherlands, and even more strikingly France.

Yet how does multi-employer bargaining with high coverage affect the organization of the employment relationship? Hyman (1997: 313) queries the 'meaningful content' of industrial agreements. Where multi-employer bargaining predominates, high collective bargaining coverage yields extensive organization of the employment relationship; but the nature of this organization is difficult to determine. Detailed attention to procedural arrangements, such as the subjection of local bargaining to peace clauses (Iversen, 1998), can offer only limited insight (Iversen and Pontusson, 2000).

The British industrial relations literature of the 1960s and 1970s offers a way forward in assessing the implications of multi-employer bargaining. Flanders (1965), Marsh (1965) and Brown and Terry (1978) explored its impact on wage determination, while contributors to the comparative literature have also stressed the importance of the content of agreements. Clegg (1976: 15) suggested that the 'regulatory effect' of industrial agreements in France in the 1960s and early 1970s was small; Sisson (1987) differentiated between countries where multi-employer pay agreements took the form of 'safety nets', affecting only the very lowest paid, and those countries where they affected the pay of all workers. Recently, Marginson et al. (2003) have also examined the 'substantive content' of sectoral agreements in metalworking and banking in several nations. There is no systematic comparative work on the constraints on local bargaining imposed by multi-employer agreements, but scattered through the literature are illuminating comments on the (immediate) regulatory effect of multi-employer bargaining.

With its very low density allied to a preponderance of multi-employer agreements yielding high coverage, France is a critical case. Since the 1970s, there have been multi-industry agreements regarding non-pay issues such as training, restructuring and the use of technology, sometimes transposed into statute, but these have had an uneven impact (Goetschy, 1998). Even single texts can display ambivalence as to the significance of such agreements in France; Traxler et al. admit that the sectoral agreements which secure high coverage in France are of little consequence, but also maintain that 'sectoral bargaining has a notable

impact, particularly on the upgrading of low paid workers' (2001: 115, 195).

Under the 1982 Auroux laws, industry negotiators meet annually to discuss pay, and reconsider job classifications every five years. This has supported an enormous growth in the number of sectoral agreements (Goetschy, 1998). Strikingly, however, such agreements have often stipulated minima below the statutory minimum wage (*Salaire minimum interprofessionnel de crossance* [SMIC]) — from around a quarter to around three-quarters (Clegg, 1976; Goetschy, 1998; Goetschy and Rozenblatt, 1992). There is little doubt that the minima specified in industrial agreements follow, sometimes falteringly, the statutory minimum, rather than the converse. The stipulations of French sectoral agreements are thus often so loose as to be without practical meaning. Does this suggest that more generally, multi-employer agreements may lack substance?

Sweden, the polar opposite to France with regard to density, is conventionally seen as a signal recent case of regime change in collective bargaining, with the prevalent peak-level agreements coming under strain in the 1980s and being abandoned by the employers in 1990 (Kjellberg, 1998) — though decentralization was mitigated by the development of procedural framework agreements in the 1990s (Elvander, 2002). How though have these changes affected the extent to which company and workplace bargaining is constrained from above?

Between 1956 and 1982 the minimum wage rates specified in the peak agreements were well below those prevailing in each industry. In addition, these agreements also assigned each industry a margin for general wage increases, resulting in sectoral agreements which specified both minimum wage *levels* and percentage *increases*. It should be stressed that these industrial agreements, in contrast to those in Germany for example, prescribed minimum percentage increases not in contractual pay but in effective or actual pay, in which wage drift was consolidated (Thelen, 1993). In the terms of Sisson (1987), Swedish agreements very clearly featured not only safety net minima but wage floors. The peak agreements of these years displayed solidaristic intentions, and indeed compressed inter-industry differentials. Yet sectoral negotiators retained autonomy in deploying the margins permitted by the peak agreement, though in practice the increases specified for different groups typically varied in an egalitarian manner (Robinson, 1974). Thus, not only did they involve wage floors but floors which favoured the lower paid.

What of the late 1980s and in particular the 1990s, as peak negotiation collapsed? Sectoral agreements continued to provide wage floors, and pay increases were on average still higher in lower-paying industries and, often through the use of flat-rate increases, for the worst paid *within* particular industries (EIRO, 1998, 2001; IDS, 1997). Strikingly, these

solidaristic elements are of the same form as those in the years of peak agreements. In another sense too the break from the past has been limited. From the early 1960s, sectoral agreements compensated employees retrospectively for establishment-level wage drift elsewhere (Fulcher, 1991; Robinson, 1974). This ceased in the three bargaining rounds from 1991, but those of 1998 and 2001 sought to restrain wage drift by making some explicit allowance for it (EIRO, 1998, 2001). The new approach to drift has apparently been successful. The restrictions imposed on local pay bargaining by higher-level agreements remain an important feature of Swedish collective bargaining.

The evidence thus suggests that higher-level bargaining in low-density France has been of much less regulatory effect than that in high-density Sweden. What of other nations with very high density? Whilst Lilja (1998) implies a recent hollowing of the architecture of Finnish confederal and industrial bargaining, detailed consideration suggests that it remains of substantial regulatory effect. Even the (pattern bargained) industrial agreements struck in the wake of the failure of peak negotiations in 2000 involved not only substantial general pay increases, but additional increases for the lowest paid (SAK, 2000a). The incomes policy agreement concluded for 2001 and 2002 then saw a general increase in cash terms, significantly favouring the lower paid, allied to an additional 'equality allowance' further increasing the pay of those at the very bottom (SAK, 2000b). In the Finnish case then the substance of multi-employer agreements seems similar to that in Sweden.

In Denmark, coordinated industrial bargaining is now, at least for the bulk of employees covered, solely over minimum wage levels. Scheuer (1998) notes that in September 1997 the lowest hourly minimum wage featuring in any multi-employer agreement was Dkr 74.80 (approximately equivalent at the time to €10.00). This contrasts with the 1997 French SMIC of FF39.43 (€6.00), which few of France's sectoral minima exceeded. The difference between the *lowest* of Denmark's sectoral minima and the *general* level in France is only partly explained by the roughly 25 percent higher Danish cost of living.

Another enlightening comparison can be made with Belgium, with average earnings and cost of living in 1997 similar to the French. In the absence of a statutory wage minimum, multi-employer agreements, which Traxler et al. (2001) confirm are of universal coverage, have long secured de facto wage minima. The OECD (1998) shows that in 1997 this yielded a national minimum very similar to that of the SMIC trailed by French industrial agreements. Multi-employer bargaining in moderate-high union density Belgium thus seems of comparatively substantive effect.

Another interesting comparison is with Austria, where density is now moderate. Pontusson (2000) notes that Sweden's confederal agreements

had no parallel in often supposedly centralized Austria, but more importantly claims that throughout the post-war period Sweden's enduring sectoral agreements were of more substance. Indeed, Walterskirchen's study (1991) shows that sectoral agreements in Austria have been of quite limited regulatory significance, with deliberate efforts made to accommodate the wages in poorly paying firms. Moreover, as he shows, Austrian unions and their confederation, the ÖGB, have made very clear that they consider the shaping of wage differentials quite beyond their remit.

Some organized capitalisms of relatively low density are widely assumed to feature sectoral agreements of important regulatory effect. Germany is an emblematic case, with developments in the 1990s widely analysed as the erosion of a formerly robust system (Ferner and Hyman, 1998a; Streeck, 1997). With German density only ever moderate at best, this seems quite at odds with the notion that density correlates with the content of multi-employer agreements. Yet as already noted, German sectoral agreements relate only to contractual pay, constituting safety-net minima. Moreover, these minima have generally been far below typical rates, with some firms paying 40 percent more (Marsden, 1995). In contrast to Sweden, compensation for wage drift has not featured, and there has been very much less emphasis on egalitarianism in German than in Swedish unionism (Thelen, 1993). Whilst the details of the famously thick German sectoral agreements may have served to reshape the earnings structure more than has sectoral bargaining in France, they may also have entrenched workforce stratification by qualification, gender and age.

In the Netherlands, sectoral agreements secure high coverage, and Traxler et al. (2001) stress the importance of the wage indexation they establish. By the mid-1990s, though, with density falling from moderate to low levels, these agreements often featured minimum contractual wages which were no higher than the prevailing statutory minimum wage (Visser and Hemerijck, 1997). The Dutch situation thus appears increasingly similar to that of France. Unsurprisingly in this context, low-density Switzerland features sectoral agreements covering almost half of all employees, but those accounting for a third of this coverage do not stipulate pay levels or increases of any sort (Fluder and Hotz-Hart, 1998).

How do developments in the UK fit with the argument? There is no dispute that the 1980s and 1990s saw an erosion of multi-employer bargaining, or that by the turn of the millennium single-employer bargaining predominated. The same period saw a marked decline in density, not only in absolute terms but also relative to the (mean) average density of the countries considered here; UK density fell below this average in 1985 and was almost 10 percentage points below it by the end of the century. The UK rate had been close to the average throughout the 1960s and from 1970 to 1985 was consistently above it, with a maximum

difference of 4.5 percentage points in 1979. Could this reflect comparatively significant multi-employer agreements in this earlier period?

Overviews of the UK, such as Edwards et al. (1992), claim that joint regulation in the 1970s was decentralized. Though also thinly justified, the judgements of the comparative literature have generally been rather different. Clegg (1976: 17) terms the UK of the mid-1970s a nation of 'two-level bargaining', stressing the role of sectoral agreements in not only the public but also the private sector, and locating shop steward organization in this context. Traxler et al. (2001) portray the UK in the late 1970s in terms not only of burgeoning local union organization, but also of continuing sectoral bargaining, and indeed some coordination of such settlements under the 'Social Contract'. This analysis is underscored by survey evidence of the time. Brown (1981: Tables 2.1 and 2.2) shows that whilst by 1977/8 sectoral agreements were almost an irrelevance to pay determination in engineering and in the very largest plants elsewhere in manufacturing, in manufacturing as a whole such agreements remained significant: single-employer bargaining was most important for the pay of 68 percent of manual employees, but sectoral agreements the most important for 27 percent. Sisson and Brown (1983: Table 6.1), drawing on the first Workplace Industrial Relations Survey (WIRS) of 1980, report that across the private sector generally, the sector was the most important level of pay bargaining for more than a third of all employees. They also suggest (1983: 145) that these figures may understate the importance of sectoral bargaining, as the local management respondents may often have been unaware that pay was determined by such agreements.

Traxler et al. (2001: 117) note that 'it is wrong to understand changes in the importance of bargaining levels as a mere zero-sum game, in the sense that the rise of one level inevitably goes hand in hand with the decline in the other'. Thus the growth of local bargaining in the UK did not necessarily mean that sectoral bargaining was fading as rapidly; in comparative terms, sectoral bargaining remained of regulatory significance a feature in the UK at the time of peak density. Density trends in the UK in the 1970s track a shift from a situation in which sectoral bargaining was of significance to one in which single-employer bargaining overwhelmed it.

For most nations of the advanced industrialized world, the bulk of employment relationships remain covered by, and in this sense organized by, collective bargaining. Yet the regulatory effect on pay of the multi-employer agreements which secure the highest coverage varies dramatically. There seems to be a general tendency for such agreements to be of more substance the higher is union density. This is of significance in itself, but also casts a new light on the limits of the cross-national relationship between coverage and density. Certainly, coverage may be high where density is low; yet in such cases it seems that the regulatory effect of

multi-employer agreements is very modest. There are thus strong parallels between such a situation and one in which there is a general absence of multi-employer bargaining, such that single-employer bargaining (or none at all) predominates, and coverage is low. In each case, there is little or no constraint on company or workplace bargaining, or indeed individual contracting. Density emerges as an indicator of the meaningful organization of the employment relationship by multi-employer agreements.

### Policy Concertation and Social Rights

It is also useful to consider the relationship between union density and (neo-)corporatist concertation between union confederations, employers' associations and the state. This requires a metric for national levels of concertation. Compston (1997) scores union participation in economic policy-making for a number of European nations in the 1970s, 1980s and early 1990s. He rates at the one extreme the UK together with France, with limited consultation, and, at the other, Austria, Norway and Sweden, with broadly based agreement. Germany, Italy, the Netherlands, Belgium, Finland, Denmark and Switzerland lie between these poles, with broad consultation or narrow agreement. Extending this work beyond Europe, Kenworthy (2002) argues that Canada, the USA and indeed Japan, at least in the 1980s, should be grouped with the UK and France. Comparison of these rankings with those of density shows a general relationship, although the classification of now moderate-density Austria is certainly anomalous.

Recent analyses of developments in concertation challenge this conclusion, however. Several authors suggest that the 1980s saw a waning, and the 1990s then some revival, of concertation, with this revival often exhibited in rather unexpected national contexts (Baccaro, 2003; Ferner and Hyman, 1998a). Such commentaries counterpose the 'social pacts' in moderate-density Italy with the fading of concertation in the formerly exemplary, and still high-density, Sweden.<sup>3</sup> They also stress the social pacts in low-density Spain and Portugal and moderate to high-density Ireland, countries beyond the reach of this article. As Baccaro (2003) ultimately concedes, there must be doubt about the essential similarity of such social pacts to the concertation which has traditionally prevailed in the Nordic nations. At the minimum, though, such contributions raise questions about the significance of the relationship between density and existing indices of concertation.

Can this relationship be clarified by introducing the notion of social rights? Comparative industrial relations scholars have increasingly looked outside their traditional terrain to comment on social rights beyond those involving representative participation. The earlier

discussion of the regulatory effect of multi-employer agreements suggested that density does not correlate with at least some of the individual social rights of employees. However assessed, the most substantial statutory minimum wages are found in France and the Netherlands (OECD, 1998), nations with very modest density. High or very high-density nations do not feature such statutory minima at all. In this context, a further examination of the relationship between union density and social rights at work is in order.

Another aspect of social rights in which industrial relations scholars have shown interest is the statutory regulation of dismissal and redundancy, and of temporary work. This is often referred to as 'employment protection legislation' (EPL). The index cited and employed by Checchi and Lucifora (2002) has the advantage of being based very specifically on statutory regulation, but being encompassing in its treatment of this.<sup>4</sup> Across the 14 European countries with which they deal, this index, which distinguishes statutory regulation from joint regulation better than any other, bears no (bivariate) relation to union density. Nor is any such relation apparent in a similar study covering 17 industrialized nations, extending beyond Europe (Boeri, 2002: 402). There is nothing in detailed studies of national systems to challenge the conclusion that EPL bears no general relation to density.

The industrial relations community has recently looked beyond its traditional boundaries to consider the relevance of welfare states to the nature of the employment relationship (Visser and Hemerijck, 1997). Of course, the complexion of welfare states is not easily summarized in a manner which can be compared with density. However, union density is very weakly related to the share of GDP devoted to social welfare expenditure; the national 'welfare effort' of the political science literature (Huber et al., 1993). Moreover, the seminal scorings of nations on individual entitlements to welfare by Esping-Andersen (1990: Table 2.2) suggest that density bears little or no general relation to this form of 'decommodification'. The Nordic nations with their high or very high density all feature in the top half of the ranking, and the moderate or low-density Anglo-Saxon nations all fall in the bottom half; but low-density Japan and very low-density France are only just outside the top half, and low-density Netherlands is placed fourth overall. There is thus no general link between density and statutory social rights.

## Conclusion

Whilst much has been written about aggregate union density, there has been no systematic attention to its significance as an indicator of the social regulation of the employment relationship. Even the recent

statistical and econometric literature on the determinants of density has offered only brief comments on this matter, and its findings might be taken to demonstrate that density is a mere artefact thrown up by the organization of the welfare state. The present article has sought to assess systematically the meaning of density as an indicator, by drawing on existing literature to explore its predominant associations.

The concomitants of density which emerge are striking. It is related to scorings of policy concertation and also, though increasingly weakly, to assessments of the centralization of bargaining. Crucially, review of the secondary evidence shows that density is strongly related to the regulatory effects on pay of multi-employer agreements where they predominate. Where they do not, density reflects the limits of collective bargaining coverage itself. Moreover, density bears a close relationship to the extent of meaningful local union organization.

However, density has no relation to other aspects of the political economy to which industrial relations scholars have given attention. Density is not related to strike activity, or to the existence or substance of statutory wage minima, of EPL or indeed of individual social rights to welfare. Indeed, although this is not the subject of consideration here, a cursory glance at the broader literature on 'varieties of capitalism' (Hall and Soskice, 2001) suggests that density does not relate to the incidence of vocational education and training or to the role of insiders in corporate governance.

Union density thus specifically expresses the significance of unions and employers' associations at multiple levels, and specifically in terms of the weight of routinized joint regulation. Of course, density cannot capture each of the aspects of joint regulation considered here specifically and singly. It is a univariate indicator, and whilst it is related to each aspect, and they themselves tend generally to be interrelated, these various aspects are not empirically coterminous. Density weighs the totality of constraints imposed by joint regulation on managerial prerogative.

This is not though to say that density captures 'labour's power resources', as Korpi (1983) asserts. As we have seen, density does not generally relate to social rights. Nor is it to say that density indicates 'union strength', as Traxler et al. (2001) for example hold. Multi-level joint regulation does not involve unions alone. Moreover, unions may have strength outside the arena of routinized industrial relations to which density relates. French unions, despite their weakness in membership and joint regulation, do indeed have a political role, though not in routinized concertation. Sporadically, often at arms length, with all the imprecision implied, French unions buffet the state (Goetschy, 1998). The French case, often seen as demonstrative of the very variability of the meaning of density, clarifies its general meaning.

British experience might seem contrary to the notion that density



weighs routinized joint regulation. At the turn of the millennium, a ranking on density places the UK just ahead of Germany, which undoubtedly features more significant joint regulation, despite the limits of the oft-stressed sectoral agreements. Moreover, UK density at its peak was similar to that in Belgium and Norway; but it is doubtful that joint regulation in the UK ever achieved the weight it has had in these other nations. It seems that the containment of UK density in the 30–50 percent range rather exaggerates the significance of organized industrial relations throughout. The peculiar extent to which UK industrial relations bear the imprint of their origins is widely recognized, with the enduring influence of entrepreneurial ideology on British employers, and the craft legacy on British unions, often stressed (Fulcher, 1991). These unique features may have tilted the more typical balance between the industrial relations infrastructure and union density, rendering multi-level joint regulation (and concertation) peculiarly problematic whilst providing a sound basis for moderate union density. The UK shows very clearly that density does not weigh the industrial relations infrastructure perfectly; but even so the UK is only a partial exception.

Whilst density is thus a general indicator of the weight of routinized joint regulation, it cannot capture its character or anatomy. Certainly, density is not necessarily concomitant with articulation, and thus with the ‘organization’ of any decentralization in this specific sense. Yet the centrality of the concern with ‘organized’ versus ‘disorganized’ decentralization (Traxler, 1995) is questionable. As Crouch (1993: 289) stresses, industrial relations systems may be articulated but employers’ associations and, in particular, unions and their confederations weak. Relatedly, organized decentralization may reflect not so much the strategic derogation of higher-level bargainers to lower, but rather a tactical accommodation by higher-level bargainers to a reality already prevailing on the ground (Marginson et al., 2003). Articulation may be central to the coherence, perhaps stability, of a national system, but to the extent that the issue is the very relevance of routinized joint regulation, sheer weight is vital.

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## NOTES

- 1 In the cases of some nations it has not been possible to derive data beyond 1995 or 1997. Data for Germany relate to West Germany only. Comparable estimates of employed density for nations beyond these 15 are not available for this period. The database of Ebbinghaus and Visser (2000) is far from

exhaustive in its treatment of some European nations and does not extend beyond Europe; the series presented here therefore also draws on Price (1989), Visser (1989, 1991, 1992) and a dozen other, mainly national, sources. The priority of excluding unemployed and retired membership was paramount, and some nations were excluded as the necessary data were not available. Except where there are obvious omissions in the provision of consistent data by Ebbinghaus and Visser, as in the cases of Italy and the UK, the estimates of employed density for the European nations covered here typically fall within 1 percentage point of theirs. In the cases of Austria and Norway the differences are a little greater for years at the beginning and close of the period under consideration, reflecting different assumptions about the growth in retired membership on the basis of the available data. Beyond Europe, the series generally correspond within 1 percentage point to the benchmarks offered by Visser (1992). There is, however, a marked discrepancy in the case of Canada around 1970, for which Visser's benchmark is substantially lower than the rate estimated here. Full details are available from the author on request.

- 2 Excluding Italy, for which Traxler et al. (2001) do not provide coverage rates. The correlation with density for the other 14 nations is 0.44 for overall coverage and 0.38 for the 'adjusted' coverage measure (based on the workforce legally entitled to bargain collectively), touching at best statistical significance at the 10 percent level (2-tailed test). The correlation with 'adjusted' coverage reported in Traxler et al. (2001: Table III.17), based on different density data, and including Australia, New Zealand, Spain and Portugal, is a little lower.
- 3 Various indices of EPL are available but, strikingly, even those of the OECD (for example 2000), which has directed much effort to this area, are not only erected on foundations ultimately rather obscure, but also suffer from the inclusion of some joint as opposed to statutory regulation and more generally from the apparently arbitrary range of considerations ostensibly covered for each nation.
- 4 Collective bargaining coverage, and periodic bouts of strike activity, to which density bears no general relation, may be central to the legitimacy of French unions and thus to this role.

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**GUY VERNON** is Senior Research Fellow at the HR Centre of Excellence at Henley Management College.

**ADDRESS:** Henley Management College, Greenlands, Henley-on-Thames RG9 3AU, UK. [e-mail: [guy.vernon@henleymc.ac.uk](mailto:guy.vernon@henleymc.ac.uk)]